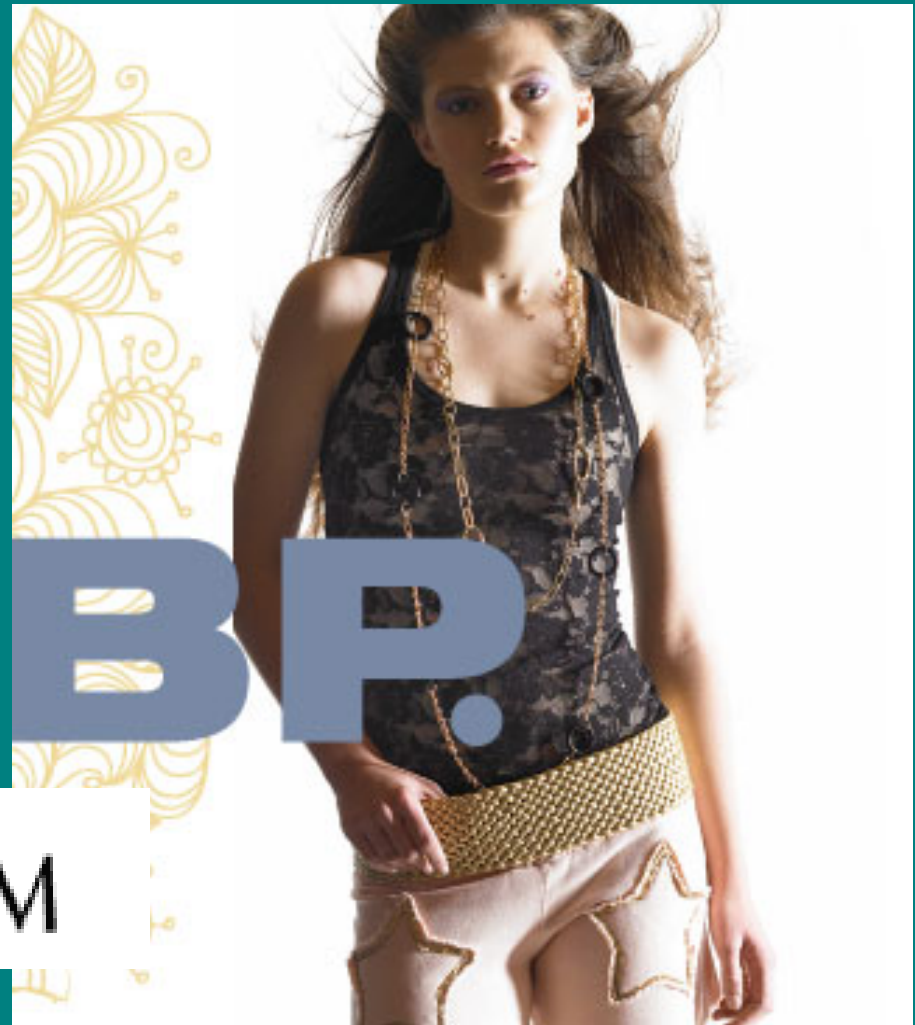


Purchasing

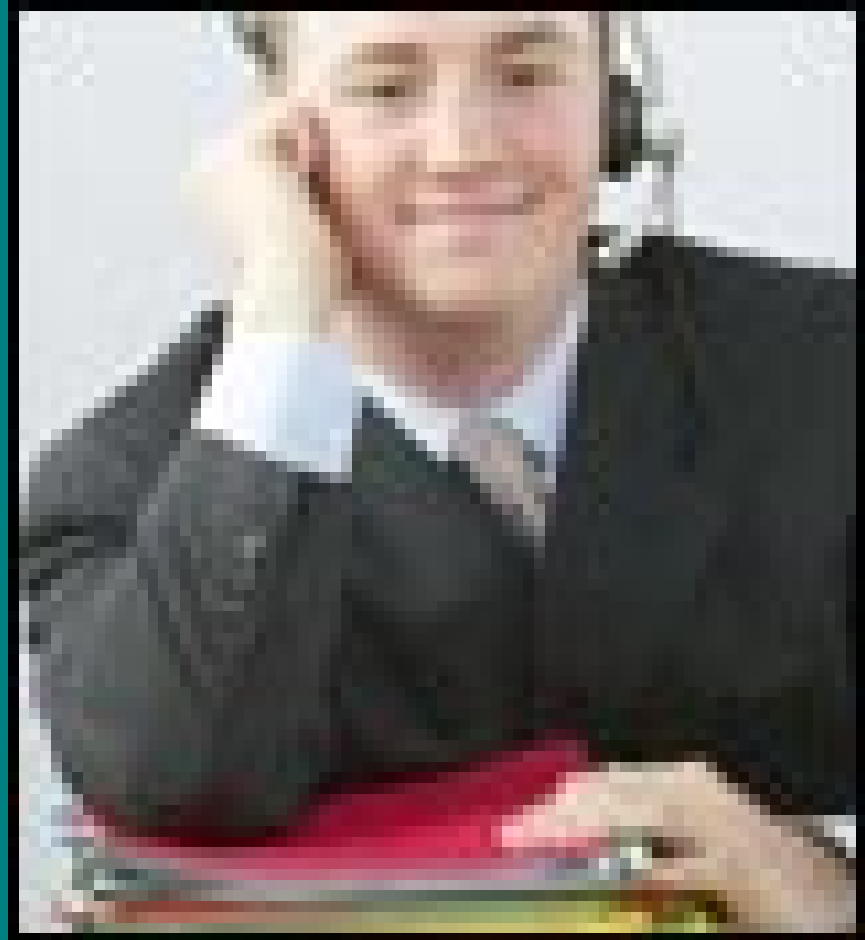
- ORGANIZATIONAL BUYERS
 - Businesses
 - Agencies



NORDSTROM

Manufacturing / Service

- Purchasing Managers
- Industrial Buyers'
- Procurement Managers



Resellers Market

- This market is when goods are purchased to “RESALE” to other markets.....

–Wholesale
–Retail



Six Month Merchandise Plan

- The budget that estimates planned purchases for a six-month period.
 - *Outline and plan merchandise that will be purchased for the business..*

Planned Sales: Use the previous year's monthly sales figures and adjusting them to reflect the firm's current sales goal.

- Goals and Planned Sales are determined by:
 - Study of last year's sales
 - Current market and economic conditions
 - Analysis of the competition

BOM: Beginning of the month inventory

A buyer checks the previous year's records for how much stock was needed in relation to monthly sales

EOM: End of month

BOM stock figures for any given month is the EOM for the previous month.

Planned Retail Reductions

Reduction in the selling price

- Clerical mistakes
- Employee pilferage (stealing)
- Customer shoplifting
- **OTB: Open-to-buy**
 - The amount of money left after all expenses have been considered.
 - Goods received + goods ordered = OTB



Centralized Buying:

Creates unified image
for the Chain

Decentralized buying
*would only occur if a
Chain store wanted
specialty goods that are
not available elsewhere
in the Chain*

- *Dillards: USU, U of U, BYU*



Purchase Situation

- NEW TASK PURCHASE:
 - Purchase made for the first time
- MODIFIED REBUY
 - Buyer has had experience buying the good or service, but some aspects of the purchase changes.
- ROUTINE:
 - Orders the goods & services purchased from the same vendor as in the past.

- Supply & Deliver goods to businesses
 - Production Capabilities
 - Facilities, ethical reputation, working conditions
 - Past Experiences
 - Delivery terms, performance, returns, customer service
 - Special Buying Arrangements
 - Consignment buying-*goods paid only after the final customer purchases them (new products)*
 - Memorandum buying-*take back unsold goods by certain date*
 - Special Services
 - Products with UPC's